Betting on People

Bookmaking at Delhi Racecourse

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9 Betting on people

Bookmaking at the Delhi racecourse

Stine Simonsen Puri

Introduction

A loud bell rings and in the background I can hear the voice of a commentator with a British accent announcing that the horses have left the stalls, and are off and running. I am stuck in the midst of a throng of Indian men, crammed together in front of a bookmaker's booth, eager to bet on the horse that has emerged as the favorite. The odds on the horse have come down to '80 paisa', or 80/100, which means that the potential returns are relatively small. Still, the men in the group are determined to bet on this particular horse and do not at any point turn their heads to the television screens to see how the horse is running: their focus is on the odds and the betting booth.

At the Delhi racecourse where I conducted long-term fieldwork between 2009 and 2010, it is not the horses which matter to bettors, but the odds. I begin by describing how the odds inside the betting ring emerge from the interaction between official bookmakers, unofficial bookmakers and bettors, from the vantage point of an employee of a bookmaking firm. The bookmaker takes bets at odds that are constantly adjusted and written on chalkboards in front of the booths inside the betting ring in the 20 minutes before a race. By describing the action that takes place in the betting ring in detail, I argue that the odds are formed by the idea that certain individuals have the ability to manipulate the future. This idea is acted upon by both bookmakers and bettors. Contrary to the idea that odds are based on an assessment of the relative merits of horses, I show how odds reflect attempts to divine the intentions of human beings. In other words, betting on the racecourse in Delhi is about people, not horses.

Examining how the odds are produced and interpreted provides an insight into processes through which an uncertain future is imagined, priced and potentially profited from. In this case, social hierarchies, economic regulations and (non) compliance, as well as the uneven adoption of information technology, all play a role in creating value from risk. Understanding how these different processes interact is of relevance not only to betting markets in Delhi but also to other legal and illegal betting markets that exist in-between gambling and finance. It also provides a more general example of how markets are created and sustained in environments that produce a surfeit of risk and (dis)information, giving rise to hedging and other kinds of secondary market activity. In this way, the esoteric

example of betting on the racecourse in Delhi can also shed light on the social lives of financial products in more prosaic settings.

Gambling and horse racing in India

Legal betting on horse racing in India is increasing, with a total reported turnover of $455 million in 2010, double what it was 10 years earlier (International Federation of Horseracing Authorities 2012). Illegal betting is also on the rise, with a growing number of unofficial bookmakers involved in horse racing and other forms of betting on sports, elections, rainfall and other events. In 2009 the total betting market was estimated at $60 billion (Thompson 2009). Today, except for casinos in Goa, only horse race betting and state lotteries are legal in India (Sethi 2009). Even so, horse racing and lotteries have faced much religious opposition, and Mahatma Gandhi's publications specifically targeted horse racing and betting as social evils (1952). Gambling continues to be a morally sensitive subject, and only a few states permit the legal forms of gambling. The vast majority of betting markets remain part of the illegal economy: the most popular forms of gambling are mafia-run lotteries and betting on cricket with bookmakers over the phone.

Horse racing was introduced to India by the British at the end of the eighteenth century but did not open up to the public until the end of the nineteenth century (Frith 1976; Chettiyappaya 1995; Turf Authorities of India 1995). At that time, gambling legislation authorised betting on the racecourses while making it illegal at existing local bookmaking establishments (Birla 2009; Hardgrove 2005; Rogers 1991). Birla has convincingly argued that this class-based distinction was central to the process through which the colonial authorities differentiated between legal and illegal forms of speculation in order to establish modern financial capitalism in India (2009). Since 1872, it had been possible at some racecourses in India to bet through the pari-mutuel or pool betting system, but in 1891 British bookmakers were granted permission to operate at racecourses and quickly grew in numbers and popularity (Frith 1976; Chettiyappaya 1995). From the 1920s pari-mutuel betting was channelled through a mechanised system for the calculation of odds known as the totalisator (Conlon 1997).

The totalisator connects all ticket issuers to a large board or television screen, which shows the odds representing the payout ratio based on the 'weight' of incoming bets. The payout for each horse is finalised only after the race, and each race produces a fixed-percentage operator's profit and state tax taken from the 'pool' of total bets placed. Bookmaking, on the other hand, offers fixed odds agreed upon before the result of a race. Ideally, bookmaking using accounting techniques and probability theory can set balanced odds, which result in the same total payout on each horse by creating an inherent advantage referred to as the 'over-round' (Chinn 2004: 31–32; Munting, 1996: 104). In practice, this does not happen as straightforwardly, especially when the bookmakers act as singular units without the use of networked technology as used by the larger bookmaking corporations that have developed in England (Cassidy 2010).

Today, at racecourses in India, the totalisator handles only small-scale betting as most betting is done through small bookmaking firms who are thought to offer better odds and through whom it is possible to bet on credit.[1] Official bookmakers have a formal license agreement and work from raised booths set up in the betting ring. According to my data, only 10 per cent of betting with official bookmakers is reported for taxation. Unofficial bookmakers enter the racecourse as visitors and work from the ground of the betting ring without a license. The race club management tolerates the unreported betting of the official bookmakers as well as the existence of unofficial bookmakers working without a license in return for daily bribes from each of them. Despite the location of the racecourse (next to the prime minister's home and police headquarters) there is in general no interference in any of these illegal activities, a situation which is common in India, where the majority of economic exchanges take place beyond the reach of the formal, regulated economy (Harris-White 2003).

While organised betting, legal and illegal, in contemporary India has not yet been studied in detail,[2] this is not the first ethnographic examination of horse racing and betting. Studies have been conducted in England (Cassidy 2002, 2010, 2012; Fox 1999), in the United States (Scott 1968; Herman 1967; Allen 2006; Rosecrance 1988; Zola 1967; Cassidy 2007) and Scandinavia (Jansbøl 2009; Binde 2011). Yet in the literature, relatively little attention has been given to the betting ring itself. One reason for this is that fixed-odds betting, another term for betting with bookmakers, is illegal in the majority of jurisdictions, and therefore there are many racecourses worldwide without betting rings. In England, where bookmakers offer fixed-odds betting as they do in India (Cassidy 2002: 76–78), the majority of the turnover for bookmakers still comes from off-course betting shops (Cassidy 2010, 2012). In India, with only a small number of off-course betting centres, the majority of fixed-odds betting takes place in the betting ring.

The betting ring is a unique space in which odds can be examined as the products of social processes, different from attempts to understand odds based on the methodologies of probability theory and finance (see, e.g. Williams 2003). This was famously recognised by Geertz, who examined the development and patterns of odds in a cockfight betting ring in Bali during the 1960s as a reflection of an existing cultural and social system, attempting to show how social modalities are translated into the economic value of the future (Geertz 1973). For Geertz, the odds and their movements reflected the hierarchical structure that he attributed to Balinese society. In this chapter my focus is narrower. I will show how, in the horse racing and betting industry, money is imagined, moved around and used to buy and determine the future. I begin by introducing the ring and its occupants.

Bookmakers at the Delhi racecourse

The betting ring of the Delhi racecourse consists of an oval dirt area covered with a tin roof, encircled by 26 bookmakers' booths raised above the crowd on platforms. Inside the betting ring, standing on the floor, are in addition approximately 100 unofficial bookmakers, who cannot easily be identified as they mingle with the crowd of bettors (See Figure 9.1).

Delhi hosts live racing on approximately fifty days of the year (46 in the 2009–2010 season), most often on Tuesdays, with a break between May and August. However, the betting ring is open almost every day of the year (except for in the heat of June and July) for betting on races held elsewhere in India. Races from Mumbai, Pune, Kolkata, Bangalore, Mysore or Hyderabad are broadcast on small televisions suspended around the racecourse and in the betting ring. The total number of races in 2010 in India was 3,312, of which only those in Chennai and Ooty were not shown in Delhi. On most days, therefore, the action takes place inside the betting ring and not on the tracks. Regardless of where the live action was taking place, the Delhi betting ring was a popular place for betting among bettors nationwide. Whereas other racecourses such as in Mumbai and Kolkata were more popular among the city's inhabitants as social gathering spaces, the Delhi racecourse, despite being positioned just next to the prime minister's home, was hardly known by nonbettors and was considered a disreputable place to be (Puri 2012a, 2012b).

The Delhi betting ring was a chaotic site where people ran around frantically and bumped into each other. Fervent interactions inside the betting ring bore some striking resemblances to traders on the pit in futures markets before 2000 when trading had not yet become predominantly electronic, as described by anthropologist Zaloom (2006). As chaotic as it may have seemed at first, once you started

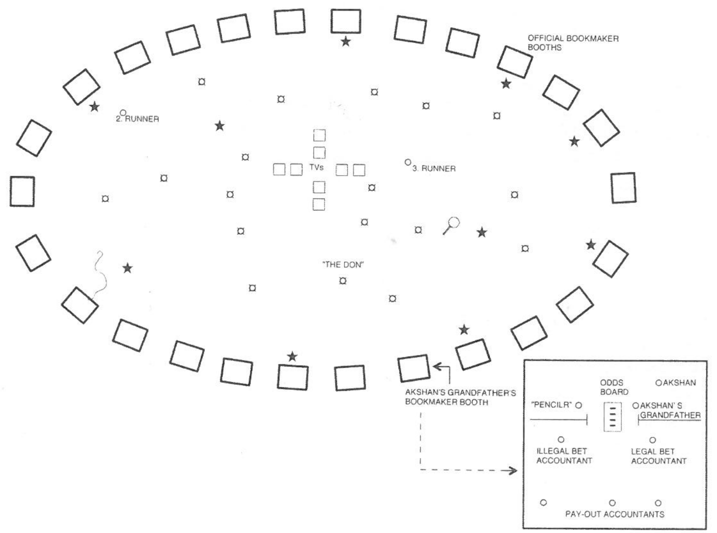

Figure 9.1 Map of Delhi betting ring with examples of positions of bookmakers and cutters.

Figure 9.2 The floor of the Mumbai betting ring.

to get to know the place, you could observe clear patterns in the movements of people which were tied to how, where and in which direction the odds fluctuated. While people simply moved faster, adapting to faster-moving odds, they also tended to flock around the bookmakers who provided the best odds on the favorite horse, and who could, as a result, have a hard time taking in all bets before the race started.

As an anthropologist, I found that spending time in the betting ring was an important part of my daily routine at the racecourse, where I observed the odds and the movement of bettors and bookmakers. Betting also created rapport with my research participants, encouraging them to share their ideas with me in a way that may not have been possible had I stood outside these activities as an observer.[3] Walking inside the betting ring before a race, I was often hit by an accelerating, intense noise from the crowd of bettors, asking each other for tips and shouting out bets. The betting ring was an intimidating place dominated by men, where I, like the other few females present at the racecourse, was often advised not to go. Placing a bet could involve pushing your way through the crowd to the bookmaker's booth before the odds of the horse you were interested in fell or before the race started. It could also involve waiting anxiously for the odds to improve before you could jump in on a bet.

Each of the 26 booths in the betting ring employed up to 10 people. The owner sat on the outside of the booth accepting bets and adjusting the odds. Next to him

was the 'penciller', who would write the potential payouts on betting cards with the governmental seal on it, in the case of both legal and illegal cash bets (see Figure 9.1). With the official bookmakers, bets could be made either legally while paying a 17 per cent betting tax, or illegally, with only a 9 per cent illegal betting fee which went straight into the bookmaker's pockets. The percentage paid depended on whether the bettor had established a personal relationship with the bookmaker, which also was a deciding factor as to whether or not one could bet on credit. Inside the booth were two clerks writing down bets with pens in large account books, one handling the legal bets and one handling the illegal bets. In the back of the booth were another three clerks who worked out winning payouts, which were handed over through the iron rods of the booth (see Figure 9.1). There could also be up to three 'runners' attached to each booth. Runners had several responsibilities. First, they monitored the development of odds among other bookmakers. Second, they monitored the betting of certain people who were considered to have inside information. And finally, they 'ran' to place bets with the unofficial bookmakers spread out on the floor of the betting ring to hedge their business risk. I came to know one runner, Akshan,[4] particularly well.

Binoculars in the betting ring

Akshan was employed by his grandfather, who owned one of the oldest bookmaking firms in the Delhi ring. He was often seen standing next to his grandfather in front of the booth on the platform above the crowd. Frequently, Akshan could be seen with binoculars, a well-known piece of equipment at the racecourses worldwide, mostly known for observing the horses. However, at this racecourse, known in India to be the centre for betting, binoculars were in use only in the betting ring. Akshan used binoculars to watch the odds on the boards of the other official bookmakers. From that, Akshan would let his grandfather know the 'market rate' of the odds, which is the shortest odds offered on any particular horse. By adjusting his own odds in relation to the market rate, Akshan's grandfather could attract customers to the booth and manage his exposure to risk.[5]

Akshan was also on the lookout for people with cell phones. The cell phone was a highly valued piece of equipment for its ability to connect the racecourse with people from the outside tied to one or other of the nine racecourses in operation around India. In particular, Akshan was looking for 'cutters' who used cell phones to communicate the odds to people not present in the ring and to bet on their behalf (see Figure 9.1). Overall, Delhi bookmakers were reputed to be ready to take higher risks, which was attractive to bettors all over India. In Delhi, bettors could often get better odds at a reduced fee with bookmakers who were ready to take higher bets than their competitors at other racecourses.

Cutters were betting for horse owners and large-scale bettors, who, with their connections in the horse racing industry, were expected to have inside information or the capacity to bribe jockeys. Despite carrying expensive cell phones, cutters were not part of the rich elite, but their service providers. Some cutters were sent by their bosses from Mumbai. Others were from the shelters surrounding the

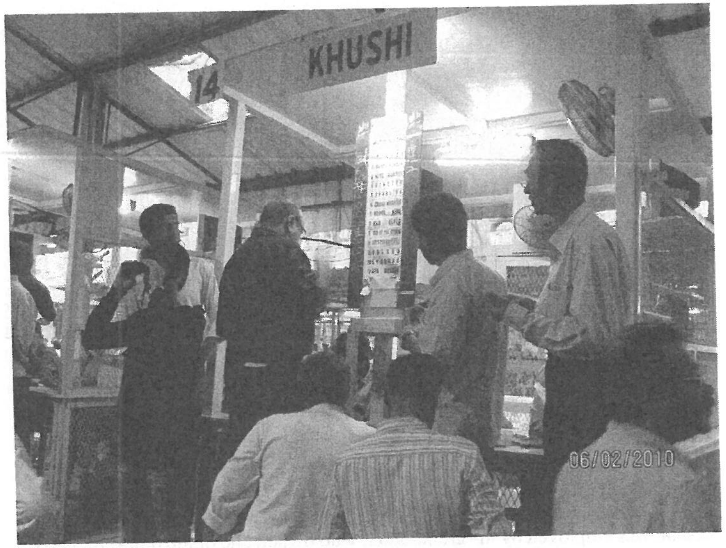

Figure 9.3 An official bookmaker of the Mumbai betting ring. A runner with binoculars stands on the right side of the booth.

racecourse, part of the city's unauthorised settlements, and came from families who had lived there for several generations, working on the operation and upkeep of the racecourse. The cutters were so named because they made a living by taking a cut from the bet: they were believed to report slightly different odds or fees, thereby creating and exploring a difference in the price of odds. However, most would represent themselves as loyal employees living off the goodwill of their bosses, sharing a small part of their profit from winning bets. The race club, aware of the cell phone-based business, charged 2.000 rupees (approximately $40) a day for a permit to carry a cell phone inside the racecourse.

For Akshan, it was not the cutters who mattered, but the person for whom they were betting, as these individuals were perceived to have some inside information. When a cutter was spotted at a particular bookmaker, Akshan would take notice of how the odds were affected by his actions. As these bets were put on credit, there was no physical money to observe; instead the odds (and the way they fluctuated) provided the visible sign that money, or its promise, had been exchanged. After a short verbal exchange or a signal given between a bookmaker and a cutter, the odds on a horse would reduce, indicating that it had been backed. A heavily backed horse could be considered as a sign that a race had been fixed or that someone had concealed the true ability of the horse at an earlier point. Either

way, it would be taken as a sign that the probabilities of the horse winning were high.

When Akshan reported such an incidence, his grandfather could, among other things, choose to lower the odds at the chalkboard of his booth regardless of the bets he had already taken in, thereby setting him in a position where the book itself was betting on an outcome. In doing so, however, he had to be careful and make sure to control demand through the odds. The problem was that once the odds were lowered, a lot of bettors could be attracted, since both bookmakers and bettors saw dropping odds as a sign of inside information, which in turn could cause a run of bets on the horse and would eventually make the odds drop even further.

Contrary to the market for fixed-odds betting in England, where bookmakers seek to attract customers by lengthening the odds, short-priced horses could attract more business as they suggested that the outcome was already determined. Bookmakers will thus most often have an imbalanced book, with proportionally many bets on the favorite. They rarely reject bets on the favorite as a method of creating a balanced book, since they try to make the money on their betting fees (different from in Britain, where there is no betting tax for on-course betting) while setting the odds extremely low, thus minimising a possible payout. This is partly why there are cutters in the first place: they come to Delhi to place bets that bookmakers at other racecourses might not accept. At times the odds will go down to 30/100, and yet still there will be bettors on the favorite. The bookmakers are thus themselves taking chances with imbalanced books. Yet at the end of the day they can come out as winners from just two favorites each day not winning. In the words of a bookmaker: 'We never want favorites to win'. Yet favorites do win, and bookmakers in Delhi are known to go in and out of business, precisely because of their exposure to risk.

Playing with money

When Akshan's grandfather's book had taken in too many bets on a particular horse, Akshan could be sent to place bets with some of the unofficial bookmakers on the floor inside the betting ring. This is referred to as 'laying off' bets and is done by bookmakers in order to protect themselves against too great an exposure to risk. The principle of hedging consists in neutralising the risks of some bets by placing the bets received with another bookmaker; if the horse wins, the money needed for the payout to the winner of the bet can be obtained from bets placed with the other bookmakers.

As odds were constantly changing, and as betting fees varied, laying off bets could also become a source of profit. This meant that one could both buy and sell risks in the form of odds and make a profit from the differences in price. Overall, the official bookmakers were preferred by large-scale bettors and horse owners because they were considered credit- and trustworthy. In order to compete, the unofficial bookmakers were charging a lower betting fee, and one unofficial bookmaker estimated they accounted for 10 per cent of the total betting in the ring. To Akshan, the unofficial bookmakers represent not only competition, but also an opportunity to gain profits by laying off bets. For example, by laying off bets where a 9 per cent betting fee has been paid with an unofficial bookmaker charging a 5 per cent fee, Akshan's grandfather's book makes 4 per cent of the bets just on the difference in the betting fees. This can be seen as a kind of fee arbitrage, where profit stems from price difference alone. If in addition there was a difference in the odds between the two exchanges, this could even become a ground for odds arbitrage, which is a method of profit seeking basic to derivative traders (Miyazaki 2013).[6]

The way that Akshan described the practice of hedging and/or arbitrage is: 'I am just playing with money.' Interestingly, Akshan, when laying off bets, potentially became a person to be monitored by others in the betting ring. He told of an incident in which his grandfather sent him to lay off a large amount of money as they had taken too many bets on a single horse. This was a simple act of hedging risk for him. However, for the bettors this was read as a sign of inside information. 'But it was nothing,' Akshan laughed. He told how everyone copied what he did and the odds eventually dropped. The incident illustrates how even when movements in the odds were generated by attempts at risk management, other bettors interpreted them as a sign of inside information. In this game, odds provide a kind of commentary or speculation on the social realm of information. The odds, regardless of how they had come into being, became not just a value put on the future, but a sign of the future, which became generative of how the future was valued.

Following the king

Akshan believed that beyond the information you could retrieve from monitoring how odds are affected by cutters, the only trustworthy information he could get was from one individual he called 'the king of downstairs' (downstairs referring to the betting floor), also called 'the Don' (see Figure 9.1). The Don was an unofficial bookmaker who, by being connected with the mafia, possessed three great business advantages. First, he had access to informal credit networks from which he could handle large money transactions across India. Because of this, he had insight into individual horses which were being heavily backed across the country. He was in fact the only bookmaker who could charge a 12 per cent betting fee, 3 per cent more than Akshan's grandfather, because he was the only one who could receive the very large bets above 500,000 rupees (approximately $10,000 at the time of fieldwork). Second, he had access to 'muscle'. Therefore, if anyone was to share inside information with him, it was assumed that, because of the threat of physical force, they would only tell the truth, whereas under other circumstances people were thought to be untrustworthy. And third, tied to his access to both cash and physical power, he was imagined to be someone who could predict the future, since he was believed to force or pay the jockeys to lose races if the amount of money at stake was sufficiently large to warrant this intervention.

For all of these reasons, when Akshan received an indication from the Don, even his grandfather, who according to Akshan did not take many risks, would 'follow it blindly'. In Akshan's words, 'That means that my luck is fixed.' As an employee of his grandfather, who was himself also experimenting with unofficial bookmaking by taking in some bets on his own while working on the floor of the betting ring, Akshan stands in-between the method of focusing on accounting and hedging used by his grandfather and the method of taking risks based on inside information. His grandfather would tell him to 'follow his formula of working and then you will survive . . . I [Akshan] also tell him, it's not the same racing which you operated a couple of years back . . . it has changed.' According to Akshan, because more and more bookmakers were working with what he called a 'pure gambling' approach to bookmaking, they 'kill the odds'. The odds thus reflected neither the probabilities of the horses nor the actual weight of betting (as the totalisator would) in each book, but rather a speculation on the future by the competitive market makers themselves. According to Akshan, in order to survive in the competition, one had to take more risks while seeking out more insider information than his grandfather was willing to do.

Akshan wanted to work for the Don once his grandfather retired. While working for his grandfather, Akshan received a daily salary of 500 rupees, which, he told me, only just covered his daily expenses of trips in the auto rickshaw to and from the racecourse, coffee with friends at some of the new cafés spread out in the city and a trip to the movie theatre here and there. In addition, he had a share in the book, which meant that he would get a percentage of the profits, which also enabled him to go on a yearly trip to Goa with his friends over Christmas and New Year. However, he was not fully satisfied. His dream was to start his own nightclub, and the money he would need to bribe the officials and the police would not be covered by his salary and the profits from the book run using his grandfather's methodologies. Therefore, his plan was that when his grandfather retired, he would work for the Don in order to 'learn how the downstairs market [unofficial bookmaking] works'. Based upon this knowledge, he would create his own business.

Reading people's intentions

During the 1960s, sociologist Marvin Scott conducted participant observation at a number of unspecified American racecourses (1968). As a student of Goffman, who had himself been interested in using gambling to understand human interactions (Goffman 2006; Sallaz 2008), Scott saw the racecourse as a stage where people were involved in 'impression management' – a method of concealing information and influencing others (1968: 1–9). At the racecourse, impression management was intended not to conceal one's true self (Goffman 1959), but rather more specifically to conceal the future, known particularly by the trainer. The trainer not only knew the fitness of the horse, but could also decide whether the horse was being 'tried' or not, in the sense that he instructed the jockey to try to win or just to let the horse have a run or even prevent it from winning.

If the jockey holds a horse back, concealing its true ability, two things can happen. First, it will be assigned less weight to carry in its next race on the basis of its bad performance, thus improving its chances of winning later. Second, if the loss was convincing, it will run with better or 'longer' odds in its next race, thus increasing the returns from betting. The point is that for the 'performers' of the races, the main objective according to Scott was not necessarily just to win a race, but to win at the right time and at good odds. In India, with relatively small prize money in the majority of races, resulting in a payout to the winning team of only 100,000 rupees (approximately $2,000), the only objective of the 'players' in the majority of races was believed to be winning in the game of odds and *not* in the race, which resulted in not only little money, but also limited prestige because of the ambiguous moral image of the industry, itself linked to gambling.

Betting on fixed odds with bookmakers was and still is illegal in the United States, and therefore there are no betting rings at American racecourses. So how did the 'performers' get better odds through impression management and the totalisator? In pool betting the more people who bet on the same horse, the shorter the odds and the less they will win since they have to share the winning pool with more people. Therefore, according to Scott, the challenge for the trainer, and to a lesser extent the owner and the jockey, was to conceal their own betting to others. This was in order to avoid other bettors betting on the same horse, thus shortening the odds. The point is that when odds started to drop, bettors would see this as a sign of inside knowledge and would then start to bet on the horse, causing the odds to drop even further and so on (Scott 1968: 58). To avoid this dramatic drop in odds, which would affect his final payout, the trainer could either wait to bet until the last second, or send a 'front man', who would bet on his behalf without the odds being affected (Scott 1968: 50–52).

Cutters may also be considered as front men since they bet on behalf of owners. However, because of fixed-odds betting, the concealment of intentions is relevant only up to the placing of a bet, because once a bet has been placed the odds have been locked. The fact that the cutters were not just hiding the people for whom they were betting, but rather also making them visible as they were being monitored, gave them the ability to manipulate the odds. For example, as they could be working in teams, they could place bets which were only meant to raise the odds of a particular horse as a way of bluffing the bookmakers. For example, a cutter could be sent to make a bet on one horse at 100,000 rupees ($2,000) after which the odds for that horse would drop while the odds of other horses would rise, for example, from 1–1 to 2–1. Then, after a while, another cutter working for the same bettor would go and place a bet, the 'real' bet, of 500,000 rupees on the other horse. If the second horse won, the change in odds would then not only cover the 100,000 bet on the first horse, but would also make the total win much higher. According to Akshan, this posed a great challenge to runners and demanded understanding not only of odds but of people, to the extent that he had to 'get into their minds' to understand their true intentions.

Whereas the odds of the totalisator reflect all bets received, the odds of the betting ring are in themselves speculative, which can create more polarised odds, as at times it is not only the bettors but also the bookmakers who are betting on the favorite. The bookmakers thus stand in between the bettors and the odds and contribute to the fluctuation of odds through their own interpretations. In Delhi, the totalisator odds, even though they reflect actual betting, were not considered a reliable source of information; both because the big bettors did not use the totalisator and because they were not believed to be updated quickly enough. In that sense for bettors, the truth was only to be found in the betting ring.

As odds makers, the bookmakers were also perceived to be key players in the racing industry who could influence the outcomes of a race with the leverage provided by their wealth. Whereas Scott described the trainer as the person with the most influence at the American racecourses (1968: 47–77), in India it was mostly the owner who was considered to determine future outcomes[7] through instructions to both the trainer and the jockey, a hierarchy which is similar to that which Cassidy has described in Newmarket, England (2002: 57–64). At the Delhi racecourse, bookmakers were furthermore imagined to be influential actors who did not only put a price on the future, but also had the ability to affect the future through their economic leverage over the jockeys. As the jockey would make only approximately 8 per cent of the prize money, they would get only between $150 and $200 for winning a race. Everyone therefore thought that it would make perfect sense for the jockeys to go for the money which a bookmaker could easily pay them not to win a race, behind the backs of the owner and the trainer.

Whereas Scott emphasised the unique insights of the trainer about the form of the *horse*, the interpretation of the odds at the Delhi racecourse focused on trying to make sense of the intentions of the human 'performers'. In that sense, the odds were a totalising principle from which human intentions could be extrapolated with only a limited and indirect connection to the abilities of animals. Bookmaking in Delhi, without networked computers or corporate systems yet linked to racecourses nationwide, created a system open to financial speculation in which odds were created and evaluated based on interpretations of human intentions far beyond those present.

Conclusion

Social dynamics in the betting ring of Delhi are not static but have developed along with changes in the technologies and regulations which therefore play a significant role in creating the odds. In India, since 1995, cell phones have had a profound effect on the operational logic behind the odds, as exemplified in the role of the cutter. The cell phone not only collapses and expands the geographical scale of the betting markets by enabling betting in absentia from anywhere, but it reconfigures the dynamics of the markets. As a result, the trajectory of the odds becomes more complex and the development more unpredictable for both bookmakers and bettors.

I have shown that odds capture and conceal conditions of many kinds. First, the odds can reflect the ability of horses. Second, the odds can reflect the apparent intentions of bettors in the industry. Third, they can manifest the risk management of bookmakers. And finally, they can grow out of risky trades and arbitrage. In the betting ring, it becomes almost impossible to ascertain the foundation for the odds, or indeed their purpose. However, even when the odds are unshackled from horses or the betting market and produced by risk work alone, they never escape their social significance as signs of human knowledge and behaviour. In the end, the logic from which the odds are interpreted and produced is that of certain people having insight into and/or power over the future. The idea of a manipulated future is central to the understanding of the calculative ethos behind the odds (Appadurai 2012).

Speculation in future outcomes by both bookmakers and bettors in Delhi betting ring focused on the intentions of people rather than the capabilities of the horses. The system was concerned with interpreting people's actions and inactions rather than the probabilities of the underlying assets (the horses) in question. This is not unlike trends of derivative traders in financial markets, where short-term movements of products in markets are interpreted by detecting traces of apparent inside knowledge rather than through 'interpretative analysis', where the derivatives are evaluated and their future value predicted through statistical methodologies tied to probability theory (Zaloom 2003; Miyazaki 2006, Miyazaki and Riles 2008, Leins, Chapter 14 in this volume). As with financial assets, as soon as horses enter a market for speculation, the estimation of their inherent potentials falls into the background as the odds – a reflection of human desires and intentions – take over.

In India, some old-timers complain about the movement of the racing industry away from a passion for horses, while the new generation of bettors and bookmakers find it exciting to attempt to figure out and influence the underlying dynamics of the betting markets. It is precisely the intersection between the social and economic forces that I have described here, which draws them to the betting ring, where they get a rush from the movement of the odds, which is, for them, more exciting than the rush of a horse passing over the finishing line.

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Notes

1 A survey I conducted at the racecourse in 2010 based on 109 respondents showed that 73.8 per cent bet in the betting ring, 6.5 per cent bet on the totalisator, and 19.6 per cent used both. However, the official numbers on the total reported betting on horse racing in India on the contrary reports a distribution of only 15 per cent of betting with the bookmakers and 15 per cent with totalisator, which has partly to do with differences in the distribution between different racecourses, and partly the large amount of betting with the bookmakers which is not reported for taxation purposes.

2 Ellen Oxfeld Basu's study of mah-jong playing within a Chinese community in Kolakata is the only ethnographic study of gambling in contemporary India (1991).

3 I clearly explained my purpose (to conduct ethnographic research into horse race betting) to everyone I talked with, as well as to the race club management.

4 'Akshan' is a pseudonym.

5 This brings the odds close to what is called 'martingale probabilities' in finance, where odds come to reflect the market demand rather than any estimated probabilities inherent in the horses (Mackenzie and Spears 2012).

6 In Europe, arbitrage is increasingly accessible through odds comparison websites like Oddschecker and betting exchanges including Betfair and Betdaq.

7 Except for female owners, who were considered to have their name on the horse only for tax purposes, as the husband was imagined to be the real person behind the horse.

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